

## Message Text

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PAGE 01 BUDAPE 02451 170753Z  
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 AGR-05 SIL-01  
LAB-04 CIAE-00 DODE-00 PM-05 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 OMB-01  
/085 W

-----117277 172024Z /62

R 161521Z JUN 78  
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TO SECSTATE WASHDC 1736  
INFO AMEMBASSY BELGRADE  
AMEMBASSY BERLIN  
AMEMBASSY BUCHAREST  
AMEMBASSY LONDON  
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AMEMBASSY ROME  
AMEMBASSY SOFIA  
AMEMBASSY WARSAW  
AMCONSUL MUNICH  
USMISSION USNATO

C O N F I D E N T I A L BUDAPEST 2451

E.O. 11652: GDS  
TAGS: ECON PEPR PGOV PINT SCUL SHUM HU  
SUBJECT: KADAR CAMPAIGNS FOR ACCEPTANCE CENTRAL COMMITTEE DECISIONS

REF: (A) BUDAPEST 2399 (B) FBIS DTG 091756Z JUN 78

1. SUMMARY: JANOS KADAR VISITED DEBRECEN REGION TO EXPLAIN DECISIONS

OF HUNGARIAN SOCIALIST WORKERS' PARTY (HSWP) CENTRAL COMMITTEE (CC)  
TO LOCAL PARTY LEADERS AND HUNGARIAN PEOPLE. IN MAJOR SPEECH TO  
PARTY ACTIVISTS HE EXPLAINED PRICE AND OTHER ECONOMIC REFORMS. HE  
ALSO MADE SYMBOLIC VISIT TO COLLEGE OF THE REFORMED CHURCH. END  
SUMMARY.

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2. HSWP FIRST SECRETARY KADAR MADE A THREE-DAY TRIP TO HAJDU-BIHAR  
COUNTRY FROM JUNE 6-8 DURING WHICH HE MET WITH PARTY AND GOVERNMENT  
OFFICIALS AND OTHER MEMBERS OF REGIONAL ELITE. DURING TRIP HE GAVE  
IMPORTANT SPEECH EXPLAINING ECONOMIC DECISIONS TAKEN BY CC IN APRIL.

3. KADAR SAID LITTLE NEW BEYOND WHAT HE SAID REFTEL. IN MANY

INSTANCES HE USED IDENTICAL PHRASEOLOGY OF HIS APRIL SPEECH TO CC. HE DID PREFACE HIS REMARKS WITH LISTING OF HUNGARIAN ECONOMIC ACCOMPLISHMENTS, SOMETHING HE DID NOT DO IN HIS SEMI-PRIVATE SPEECH TO CC. HE ALSO SPOKE TO SPECIAL CONCERNS AND ACCOMPLISHMENTS OF HAJDU-BIHAR COUNTY. HE GAVE GREATEST ATTENTION TO CC INTENTIONS WITH RESPECT TO PRICE REFORM, NOTING THAT "WHAT THE CENTRAL COMMITTEE HAS SAID ABOUT PRICES HAS MADE PEOPLE THINK." KADAR POINTED OUT THAT AT THE PRESENT MOST PRODUCERS PRICES ARE "ABSOLUTELY UNREAL," LEADING MANAGERS TO INCORRECT ECONOMIC DECISIONS. THEREFORE THE CC HAS DECIDED THAT PRODUCERS' PRICES MUST BE "DEFINITELY ADJUSTED...TO EXPRESS MORE CLEARLY REAL COSTS." HE THEN PROCEEDED TO ATTEMPT TO ALLAY ANY CONCERNS BY STRESSING THAT THIS WOULD NOT AFFECT HSWP'S COMMITMENT TO HIGHER STANDARD OF LIVING. HE ALSO WENT OVER OTHER REFORMS SUCH AS RESTRUCTURING OF INDUSTRY AND BETTER UTILIZATION OF LABOR RESOURCES, AND STRESSED THE NEED FOR DISCIPLINED WORK.

4. KADAR AGAIN NOTED PARTY'S ACHIEVEMENTS IN UNIFYING COUNTRY AND GETTING SUPPORT OF INTELLIGENTSIA AND CHURCHES..HIS WORDS WERE NOT NEW BUT HE UNDERLINED THEM BY HIS ACTIONS WHEN HE VISITED THE COLLEGE OF THE REFORMED CHURCH IN DEBRECEN (THE CITY IS THE STRONGHOLD OF CALVINISM IN HUNGARY). SPEAKING THERE, HE ADDRESSED THEMES OF FREEDOM OF CONSCIENCE AND WORSHIP AND SUCCESS OF HSWP'S ALLIANCE POLICY. HE ALSO THANKED REFORMED BISHOP TIBOR BARTHA FOR HIS CHURCH'S COOPERATION IN SUPPORT OF BUILDING SOCIALIST HUNGARY. VISIT WAS PICKED UP IN PATRIOTIC PEOPLE'S FRONT DAILY MAGYAR NEMZET WHICH HAD CONFIDENTIAL

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NEWS ARTICLE AND RELATED EDITORIAL. EDITORIAL ALSO SPOKE OF PARTY'S COMMITMENT TO GIVING ALL NON-PARTY MEMBERS NOT JUST BELIEVERS EQUAL ACCESS TO GOOD JOBS AND SOCIAL BENEFITS.

5. SECTION ON FOREIGN POLICY IN DEBRECEN SPEECH WAS PRO FORMA AND LARGELY DEVOTED TO EXPRESSIONS OF SOLIDARITY WITH SOVIET UNION. HSWP'S DESIRE TO IMPROVE RELATIONS WITH WEST WAS ONLY TOUCHED ON LIGHTLY IN COMPARISON. NOR DID KADAR CONTEND WITH WEST ON AFRICA OR ROMANIA WITH REGARD TO HUNGARIAN MINORITY THERE, SOMETHING HE MIGHT HAVE DONE IN MAJOR HUNGARIAN CITY CLOSEST TO ROMANIA. HE DID NOTE THAT HUNGARY HAD NOT MADE ANY CONCESSIONS TO U.S. IN ORDER TO GET AN AGREEMENT COVERING MFN. HE DESCRIBED AGREEMENT AS CULMINATION OF HUNGARY'S CONSTRUCTIVE FOREIGN POLICIES TOWARD WEST.

6. APPARENTLY, NO PUBLIC REFERENCE WAS MADE DURING KADAR'S VISIT TO PERSONNEL CHANGES IN HSWP, IN GREAT CONTRAST TO KADAR'S CC SPEECH (REFTEL) HOWEVER, WE ARE SURE HE DISCUSSED THESE MATTERS IN PRIVATE.

7. COMMENT: THERE IS NO INDICATION THAT KADAR HAS TAKEN TO HUSTINGS OUT OF WEAKNESS. RATHER WE REGARD IT AS PART OF HIS OPEN, CAUTIOUS STYLE DESIGNED TO MAXIMIZE HIS POPULAR SUPPORT. HIS OPENNESS, MORE PRONOUNCED IN HIS CC SPEECH BUT IN EVIDENCE HERE ON

ECONOMIC ISSUES, DISARMS BOTH DOMESTIC AND FOREIGN CRITICS WHO CAN-  
NOT EASILY ACCUSE HIM OF DEVIOUSNESS NOR FAILING TO HAVE SUPPORT OF  
HIS ALLIES. HIS SPEECH ALSO IS THE BEGINNING OF WHAT WE EXPECT WILL  
BE AN EXTENDED AGITPROP CAMPAIGN DESIGNED TO GET THE POPULACE TO  
ACCEPT PRICE RISES WHICH HAVE BEEN PROMISED BY JAN 1, 1980.  
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## Message Attributes

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